



REPORT ON THE MONTANA TOURISM INDUSTRY

JANUARY, 2002

TRAVEL MONTANA, DEPARTMENT OF COMMERCE







Message from the Director

I'd like to express my appreciation to the Montana tourism industry partners for the warm welcome you have given me as the new director of the Montana Department of Commerce. I am glad to be part of such a dynamic and vibrant effort.

Tourism exemplifies economic development at its best. The industry's ability and commitment to join together the different perspectives, objectives and needs of our state, our visitors and our communities into a focused strategic plan have made tourism one of our leading economic sectors.

The high return on investment of the "bed tax" monies spent over the years is clearly evident by new job creation, business start-up and expansion, and the infusion of monies into our communities. This, of course, was made possible by vision, professionalism and standards of excellence, qualities that will be emulated in the "Business Montana" campaign. This campaign, like the new five-year tourism and recreation strategic plan under development, also will be guided by a clearly defined set of strategies, goals and benchmarks.

The objectives of "Business Montana" are straightforward — to further diversify Montana's economy and

enhance our existing job pool while creating new employment opportunities. This will require not only the recruitment of new businesses, but also the attraction of out-of-state money for investment in our existing businesses as well as the retention and expansion of our current business base. The tourism partners have committed millions of dollars to expansion efforts. This is essential to our effort, for nothing communicates the message better that Montana is good for business than seeing existing businesses invest, expand and grow.

Forward thinking will continue to keep our tourism industry healthy, continue to preserve our natural wonder, beauty and heritage, and make Montanans increasingly aware of your contribution to the overall well-being of our economy and our communities.

Thank you for your past contributions and for your commitment to our common future. I am proud to be part of your team.

Sincerely,

A handwritten signature in cursive script that reads "Mark Simonich".

Mark Simonich

Director, Montana Department of Commerce

THE INVESTMENT: MONTANA'S TOURISM FUNDING

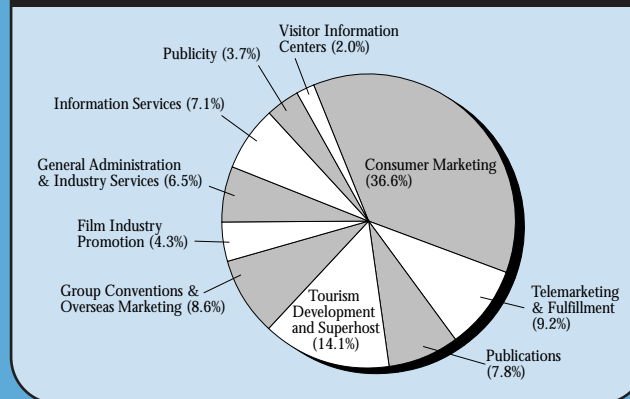
MONTANA'S SUCCESSFUL TOURISM INDUSTRY RELIES ON THE "BED TAX." THIS 4% TAX ON OVERNIGHT LODGING SUPPORTS MONTANA'S PROMOTION AND DEVELOPMENT EFFORTS, AND ALSO CONTRIBUTES FUNDS TO STATE PARKS, HISTORIC SITES AND OTHER IMPORTANT PROGRAMS. IN THE YEAR 2002, THE BED TAX WILL BRING IN ABOUT \$11.3 MILLION, YET IT WILL HELP GENERATE MORE THAN \$1.6 BILLION IN NONRESIDENT SPENDING.

In 1987, Montana's legislature recognized the importance of tourism to Montana's future economy. During that session, the legislature created a 4% Lodging Facility Use Tax, commonly referred to today as the "bed tax." Lodging facilities (such as hotels, motels, bed & breakfast inns, guest ranches, resorts and campgrounds) collect this tax from guests. In turn, these funds are directed to the Montana Historical Society, the university system, the Department of Fish, Wildlife & Parks, Montana's tourism regions and Convention and Visitors Bureaus (CVBs), and the Department of Commerce's Travel Montana programs. Importantly, no additional money for tourism funding comes from Montana's general fund. Fourteen years after the legislature created the bed tax, its success is evident. Today, tourism is one of Montana's largest and fastest-growing industries in the state.

In 1988, the year the bed tax was first collected, \$5 million was generated. In 2002, that figure will be over \$11.3 million, representing an increase of more than 100% in just over a decade.

Bed tax collections are Montana's source of funding for all of its tourism marketing efforts; however, the bed tax itself supports much more than marketing alone. In fact, about 20% of the bed tax currently supports tourism-related infrastructure around the state. This includes items such as historic preservation funds for Virginia City/Nevada City, maintenance of state parks, funding for the Lewis and Clark bicentennial program, and historic signage.

HOW TRAVEL MT FUNDS ARE SPENT



ACCOMMODATIONS TAX REVENUE FY 2002

Projected Lodging Tax Revenue	\$11,370,611
Heritage Preservation Commission (Virginia City)	(\$400,000)
Department of Revenue (Collection costs & reimbursement to general fund of tax paid by state employees)	(\$261,524)
Available for Distribution	\$10,709,087

USE OF FUNDS

(Determined by Montana Legislature)

State Parks - 6.5% (Operations & Maintenance)	\$696,091
University System - 2.5% (Tourism & Recreation Research)	\$267,727
Historical Society - 1% (Historical Sites & Signage)	\$107,091
Regions/CVBs Marketing - 22.5%	\$2,409,545
Travel Montana Programs - 67.5%	\$7,228,634

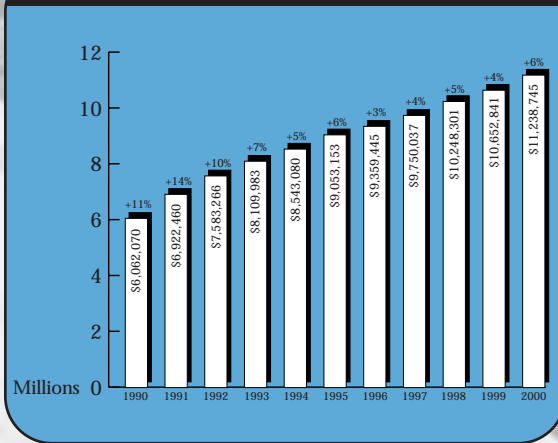
TRAVEL MONTANA PROJECTED FY 2002 BUDGET

Funds from Accommodations Tax	\$7,228,634
Income from ad sales, co-ops, etc.	\$596,963
Community & Infrastructure Grants	(\$230,000)
L&C Bicentennial Commission	(\$200,000)
Historical Society (L&C Bicentennial)	(\$116,477)
Historical Society (Scriver Collection)	(\$124,484)
Montana Trade Program	(\$200,000)
Support for Capitol tours and Governor's Mansion restoration	(\$75,000)
Total Funds Available	\$6,879,636

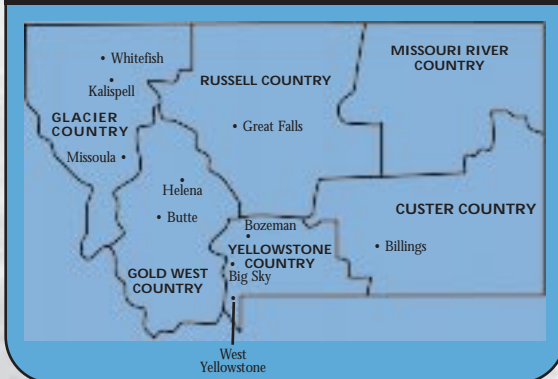
THE NETWORK: TOURISM ORGANIZATIONS



**BED TAX COLLECTIONS
(CALENDAR YEARS 1990-2000)**



TOURISM REGIONS



THE STATE'S TOURISM INDUSTRY IS FUELED BY MUCH MORE THAN TRAVEL MONTANA'S PROGRAMS. ALL ACROSS THE STATE, PARTNERS CONTINUALLY WORK TOGETHER FOR SUCCESS, INCLUDING THE TOURISM ADVISORY COUNCIL, SIX TOURISM REGIONS AND TEN FUNDED CONVENTION AND VISITORS BUREAUS (CVBs)—AS WELL AS LITERALLY HUNDREDS OF TOURISM PROFESSIONALS IN THE PUBLIC AND PRIVATE SECTORS.

The Tourism Advisory Council (TAC) was created at the same time as Montana's bed tax. The Council, composed of no less than 12 Montanans from the travel industry's private sector, has a number of important duties. First, the Council advises the governor on matters relating to travel and tourism in Montana. Second, it makes recommendations to Travel Montana. Third, it oversees distribution of funds and sets regulations for all of Montana's non-profit tourism regions and CVBs. Fourth, it determines allowable administrative expenses from bed tax funds for the tourism regions and CVBs. And finally, the TAC oversees the university system's travel research, approving all projects before they begin.

Montana's six tourism regions are private, nonprofit organizations dedicated to marketing themselves to

visitors. Each year, they submit marketing plans to the Tourism Advisory Council for approval. Find out more about any of the tourism regions on the web:

Custer Country • custer.visitmt.com

Glacier Country • glacier.visitmt.com

Gold West Country • goldwest.visitmt.com

Missouri River Country • missouririver.visitmt.com

Russell Country • russell.visitmt.com

Yellowstone Country • yellowstone.visitmt.com

Like Montana's tourism regions, the ten Convention & Visitors Bureaus market themselves to visitors, and must also submit annual marketing plans.

Big Sky • bigskychamber.com

Billings • billingscvb.visitmt.com

Bozeman • bozemancvb.visitmt.com

Butte • butteinfo.org

Great Falls • greatfallscvb.visitmt.com

Helena • helenacvb.visitmt.com

Flathead Valley • fcvb.org

Missoula • missoulachamber.com/cvb/

West Yellowstone • westyellowstonecvb.visitmt.com

Whitefish • whitefishchamber.org

To find out more about Montana's tourism organizations, including contact information, go to Travel Montana's intranet site at travelmontana.state.mt.us.

THE MEASUREMENT: RESEARCH RESULTS

SO HAS MONTANA'S INVESTMENT IN TOURISM PROMOTION MADE A DIFFERENCE? IF NUMBERS ARE ANY INDICATION, THE TOURISM INDUSTRY HAS A HUGE SUCCESS STORY TO TELL. SINCE 1991, MONTANA'S NONRESIDENT VISITATION HAS INCREASED A HEALTHY 28%, AND NOW ATTRACTS \$1.66 BILLION IN NEW MONEY FROM OUTSIDE OUR STATE EACH YEAR.

To track the growth of Montana's tourism industry and to help the state make informed marketing decisions, research is an invaluable tool. And each year, research continues to illustrate the value of tourism to the state's economy.

An economic review of the state travel industry, conducted by the Institute for Tourism and Recreation Research (ITRR) at the University of Montana, illustrated the impact of tourism on the state's economy in a number of statistical categories. In the year 2000, the study found that the \$1.66 billion spent by nonresident visitors supported 32,400 jobs and resulted in more than \$525 million in personal income.

And let's be clear: tourism's economic impact stretches far beyond "tourism" businesses. In fact, nonresident travelers spend more on retail sales, gasoline and oil, and bars and restaurants than they do on

lodging. Montana's tourists go a long way toward keeping malls, grocery stores, service stations, restaurants, lounges and entertainment facilities profitable. So tourism not only brings in new money from outside the state, it also circulates that money throughout Montana's economy.

It's also interesting to note why people come to Montana. Of the 9.5 million out-of-state travelers who visited in 2000, 11% were here primarily for business reasons, 49% came for vacation, 22% visited family and friends, 9% were traveling through Montana en route to another destination, and 9% came for shopping, conventions and other.

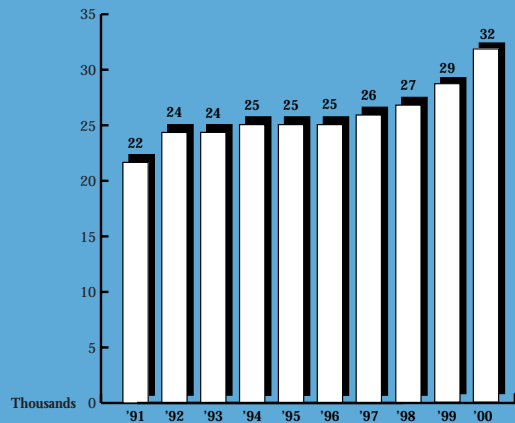
What do people do when they're visiting Montana? The six top activities include wildlife watching, visiting family/friends, nature photography, shopping, hiking and visiting historic/interpretive sites. The top destinations include Glacier and Yellowstone National Parks, Little Bighorn Battlefield, Fort Peck Lake, Bighorn Canyon National Recreation Area and the National Bison Range.

It's obvious, then, that Montana continues to attract high-quality visitors who spend more time—and money—on their vacation experience while they're here. And that's not only good for the state's tourism industry, it's good for the state in general.

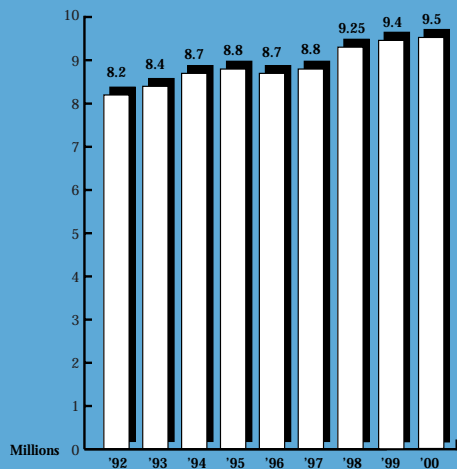




TRAVEL DEPENDENT JOBS
(UP 45% FROM 1991)



NONRESIDENT VISITORS
(UP 16% FROM 1992)



THE INSTITUTE FOR TOURISM AND RECREATION RESEARCH (ITRR) RECEIVES BED TAX FUNDING TO CONDUCT TOURISM RESEARCH FOR THE STATE OF MONTANA. IN PART, THIS RESEARCH HELPS THE MONTANA TOURISM INDUSTRY MAKE BETTER INFORMED MARKETING DECISIONS.

Each year, Montana's tourism and recreation industry relies on timely, accurate research information to help plan its marketing programs. To provide some of this data, the Tourism Advisory Council (TAC), along with ITRR, solicits research ideas from the industry, policy makers, and land managers around the state. These ideas are prioritized and approved by the TAC. In addition, Travel Montana's programs occasionally contract outside research projects to determine specific marketing needs or results. Following is an overview of research projects for Fiscal Year 2002.

Community Tourism Assessment and Quality of Life Monitoring

This is a continuing research project to examine tourism's influence on the quality of life for residents in the state. This year, the project will examine Whitehall, Kalispell and Malta/Phillips County to measure their potential and desire for tourism development.

Monitoring Economic, Social, Environmental Issues in Montana

The monitoring completed each year consists of three main components: 1) A yearly phone survey (begun in 1991) about resident attitudes toward tourism. When attitudes change, the tourism industry can address the issues; 2) The quarterly newsletter *Vision* is mailed to the industry and policy makers around the state, identifying recent research results from ITRR or other national tourism research; 3) Weekly summaries of newspaper articles related to tourism and recreation in the state are e-mailed to tourism industry people in Montana.

Pilot Study – Montana Travel Region Visitor Study

The study, conducted in the summer of 2001, found that marketing information relevant to a region was best obtained by contacting people who stop at attractions in the region.

Nonresident Travel Study

This 12-month study, from December 2000 through November 2001, gathered key statewide non-resident visitor information.

Economic Impact of American Bowling Congress

The purpose of this study is to estimate the economic impact of visitors to Billings and Montana for the American Bowling Congress Tournament and Convention during 2002.

THE LURE: MARKETING THE MONTANA MYSTIQUE

EVEN THOUGH MONTANA CONTINUES TO DRAW MORE VISITORS EACH YEAR, THERE'S STILL A VAST WEALTH OF UNTAPPED POTENTIAL CONSUMERS OUT THERE. TRAVEL MONTANA'S CONSUMER MARKETING PROGRAM GENERATES AWARENESS OF MONTANA AS A TRAVEL DESTINATION, AND CONVINCES VACATIONERS TO VISIT BIG SKY COUNTRY.

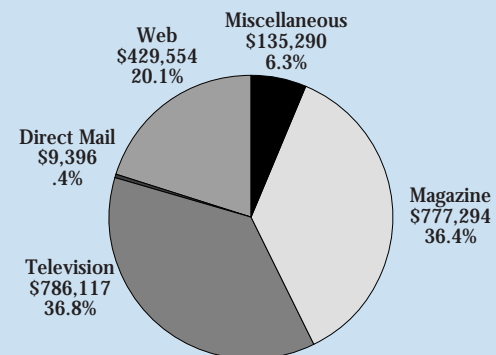
Obviously, with a record 9.5 million visitors in 2000, Montana has a natural allure. With parks, wilderness areas, scenery, wildlife, historic attractions and more, the state offers what more and more vacationers are looking for: an escape from their everyday lives. Still, Montana faces some unique challenges, as well. Even though the state has marketed itself extensively, there's more to be done. That's exactly where consumer marketing comes in. Now, more than ever, Montana needs to generate awareness and create a unique mindset in the minds of new consumers—thereby creating a desire to visit.

Travel Montana's consumer marketing program is dedicated to generating new interest in Montana, lengthening the stay of visitors, and encouraging repeat visitation. While Montana continues to market itself to core markets (family travelers, for instance), the state is continuing to diversify its advertising to reach emerging markets and segments.

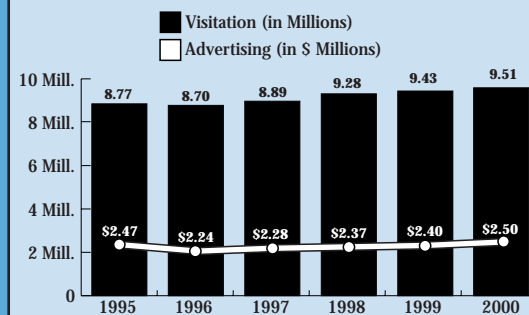
This year's efforts include ad campaigns targeting RV travelers, women, western history/culture and outdoor enthusiasts. The consumer marketing program is also developing other new ideas and strategies to help Montana compete—and succeed. Currently, the program's goals include continued increases in non-resident expenditures, growth in web site usage, and a broadening of Montana's message and appeal. As part of this, Travel Montana constantly re-evaluates the media vehicles it uses, determining the most effective mix for its advertising messages. For instance, the emergence of the internet has created new opportunities for very successful online partnerships and promotions.

Consumer marketing is also continuing to pursue cooperative marketing opportunities with neighboring states and large national companies, as well as ventures with Montana businesses. And, Montana is expanding its successful database marketing program. Currently, Travel Montana sends out quarterly e-mail newsletters to interested web users highlighting the current activities and new web offerings for the season. This is one example of how Travel Montana is continually looking at new ways to integrate and enhance the web in its marketing campaigns.

**MEDIA DOLLARS SPENT
(FY 2001)**

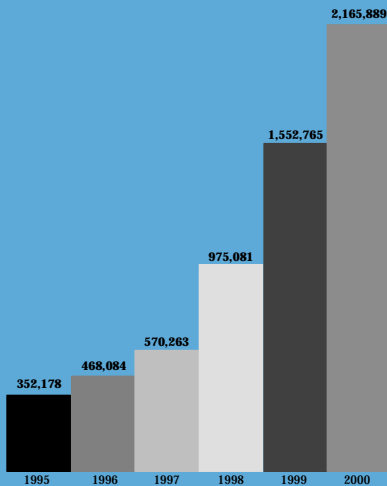


**MARKETING BUDGET & VISITATION
(1995 TO 2000)**





**TOTAL INQUIRIES
(1995 TO 2000)**



ADVERTISING IS THE INITIAL LURE; IT ENTICES POTENTIAL VISITORS, CONVINCING THEM TO CALL, WRITE OR GO ONLINE TO FIND OUT MORE ABOUT MONTANA. IT'S UP TO TRAVEL MONTANA'S PUBLICATIONS AND FULFILLMENT MATERIALS TO HELP TURN THAT INTEREST INTO AN ACTUAL VISIT.

All the advertising in the world means nothing without followup. And some of Travel Montana's most important followup mechanisms are the publications it produces. These publications are the materials people receive when they request information from the state; as such, they must contain accurate facts and they must be easy to use, of course. But more than that, the publications must act as "sales tools" for the state, helping to convince people that Montana should be their next vacation destination.

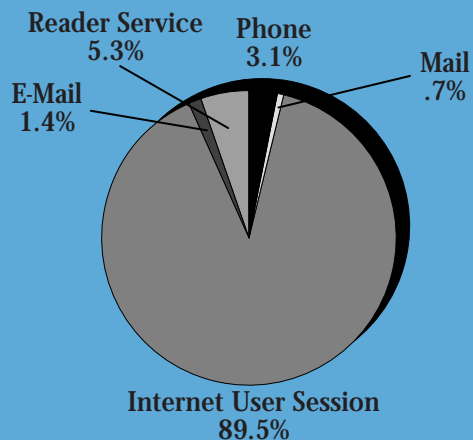
In a state as diverse as Montana, the list of publications should be diverse, as well. Currently, Travel Montana produces a Winter Guide, a Vacation Guide, a Travel Planner and calendars of events each year. In addition, the publications program oversees production of numerous specialty guides directed at specific interest areas, including a guide explaining Montana's Indian reservations, a guide tracing Lewis and Clark's journey through the state and a poster/brochure designed especially for kids.

Travel Montana's publications department works closely with other state and federal agencies (such as the Montana Department of Fish, Wildlife & Parks, the Bureau of Land Management and the U.S.D.A. Forest Service) to create and update content for all of its guides and materials. Chambers of commerce, regional tourism organizations and Convention & Visitors Bureaus also provide valuable input and assistance in the publications process.

Currently, Montana produces and distributes more than 1.5 million pieces of travel literature each year. Approximately 2,300 businesses receive free listings in the publications, and more than 425 businesses take advantage of advertising opportunities. These publications are distributed in direct response to advertising inquiries, as well as to leads generated by trade/travel shows and international offices. Guides are also distributed at key points throughout the state, including Visitor Information Centers, chambers of commerce, airports and so on.

The publications program is dedicated to providing affordable advertising vehicles for Montana's travel and tourism businesses. To do this, the guides are always adapting and changing to fit the needs of users; currently, major guides are evolving to create more information exchange with the state's web sites.

**2000 INQUIRIES BY METHOD
(ROUNDED TO .1 PERCENT)**



THE TECHNOLOGY: INSTANT INFORMATION FOR VISITORS

IS THE INTERNET AN IMPORTANT PART OF MONTANA'S TOURISM MARKETING EFFORTS? CONSIDER THIS: IN 1994, TRAVEL MONTANA HAD NO WEB SITE. BY THE END OF 2000, TRAVEL MONTANA'S WEB SITE (VISITMT.COM) WAS GENERATING NEARLY 1.45 MILLION INQUIRIES FOR INFORMATION ANNUALLY—MORE THAN FOUR TIMES THE NUMBER OF INQUIRIES RECEIVED VIA OTHER METHODS.

In the span of just five years, Travel Montana's internet presence went from generating 0% of inquiries to generating more than 80% of inquiries. That's not surprising, since current research shows travel information is one of the top three reasons for web usage. While online growth is phenomenal, it doesn't happen by accident; Montana has been a leading state in web technology. This includes designing and maintaining a dynamic web presence that includes up-to-date information on nearly 10,000 tourism-related sites and events.

The number of user sessions continues to increase. Through August 2001, our primary site, visitmt.com, was averaging nearly 5,000 user sessions a day, each session averaging over eleven minutes in length. As a result, we continue to trim our printing and fulfillment costs.

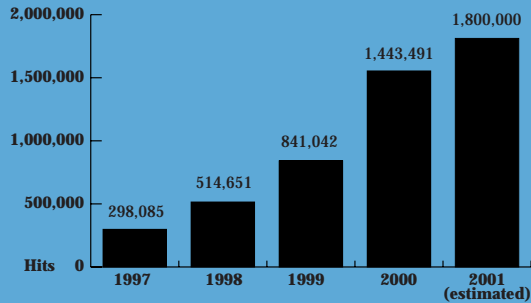
New sites and features continue to debut online, including the Montana fire information and Montana Indian Nations sites, and Bizmt, Montana's business recruitment site. Major face-lifts to the Montana Film Office, Lewis and Clark and Winter sites have been completed. Other site enhancements include: **Streaming Video:** Working collaboratively with the University of Montana, Travel Montana's revised Lewis and Clark site features streaming video from the Ken Burns PBS documentary *Lewis and Clark, the Journey of the Corps of Discovery*. **Flash Technology:** A Macromedia Flash site called "Experience Montana" has been developed, encouraging visitors to return to Montana after the fires in the summer of 2000. **New Content:** We partnered with the Montana Historical Society and now feature articles from *Montana: The Magazine of Western History*. New articles are added quarterly. In addition, we introduced our Montana Wedding Planner in the spring of 2001. **Hosting:** Last year, working cooperatively with Montana CVBs, we added sites for the Helena CVB, Great Falls CVB and West Yellowstone CVB to our network.

In the next year, improvements will continue. With our primary database conversion to Oracle complete, our next project will be to revamp our call center software so we can add features such as online counseling and more fulfillment options.

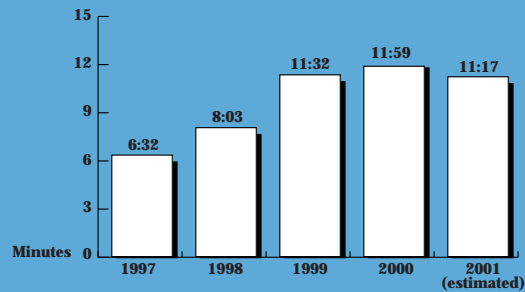




**USER SESSIONS
(1997-2001)**



**LENGTH OF USER SESSION
(1997-2001)**



CERTAINLY, THE INTERNET IS AN IMPORTANT COMPONENT OF MONTANA'S MARKETING EFFORTS. BUT THE INTERNET IS JUST ONE TOOL; THE MORE TRADITIONAL TOOLS SUCH AS TELEPHONE AND MAIL AND VISITOR INFORMATION CENTERS CONTINUE TO BRING IN HUNDREDS OF THOUSANDS OF INQUIRIES EACH YEAR, AND REMAIN VITAL TO SUCCESS.

Over the past several years, Travel Montana and its vendors have built one of the most advanced inquiry and fulfillment systems in the tourism industry. Basic fulfillment methods, in use by most travel entities, simply capture the names and addresses of people who call in, then send a packet of information. Montana's call center, on the other hand, is able to take the process considerably further. When a potential visitor dials the 1-800-VISIT-MT phone number, he or she is connected with a travel counselor in the call center. The travel counselor automatically creates a new database record for the call as it comes in, notes the source of the call (print ad, TV ad, article, etc.) for tracking purposes, and asks the caller about interest areas. As the caller notes particular interests (golfing, skiing, mountain biking) or requests information on a specific area (Glacier National Park, Billings, Fort Peck Lake), the travel counselor is able to pull information from the database instantly and share it with the caller. This can include everything

from general descriptions to detailed driving directions. After capturing pertinent information about the caller, the travel counselor is able to print out a customized letter to the prospect and assemble a packet of information to be sent. Additionally, the call becomes part of the inquiry database, complete with key geographic, demographic and interest information. That information can then be used for additional database marketing efforts in the future. In the past year alone, the call center added more than 231,000 names to its inquiry database.

Montana's Visitor Information Centers (VICs) offer inquiry fulfillment by yet another method: face-to-face contact. These Visitor Information Centers are staffed by people who can answer questions and offer publications and other materials to visitors. Montana's eight VICs are at key access points across the state, including interstates and main highways. In the past year, the VICs have helped more than 125,000 visitors in Montana. Currently, staffed VICs are located in Broadus, Culbertson, Dillon, Hardin, Shelby, St. Regis, West Yellowstone and Wibaux.

THE NICHE: INTERNATIONAL, GROUPS AND MEETINGS

NONRESIDENT VISITORS TO MONTANA AREN'T JUST FAMILIES VACATIONING FROM NEIGHBORING STATES. THEY CAN ALSO BE FAMILIES AND GROUPS FROM ACROSS THE WORLD. THANKS TO THE POPULARITY OF THE "OLD WEST" ABROAD, AS WELL AS SUCCESSFUL MONTANA-THEMED FILMS SUCH AS *THE HORSE WHISPERER* AND *A RIVER RUNS THROUGH IT*, MONTANA IS CONSISTENTLY PULLING VISITORS FROM KEY INTERNATIONAL MARKETS SUCH AS EUROPE AND ASIA. THE "GLOBAL MARKET" YOU KEEP HEARING ABOUT IN NEWS REPORTS ISN'T JUST DEVELOPING; FOR MONTANA TOURISM, IT'S ALREADY HERE.

The overseas marketing department at Travel Montana makes sure Montana is at center stage on the global stage. Aggressive marketing targets the international travel trade, emphasizing the United Kingdom, Germany, France, Belgium, the Netherlands, Italy, Japan and Taiwan. Travel Montana works with key tour operators, wholesalers, travel agencies and media to establish new travel itineraries for groups and FITs (Foreign Independent Travelers), while at the same time helping Montana businesses market themselves overseas.

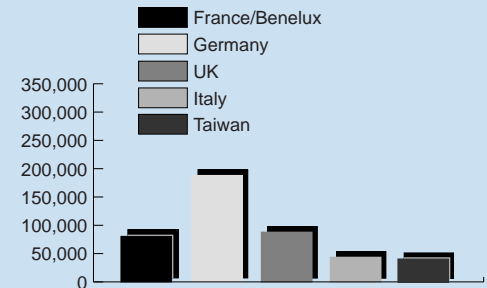
In Western European markets, Travel Montana works closely with Rocky Mountain International (RMI) to reach its key markets, which include the United Kingdom, Germany, France, Italy, Belgium and the

Netherlands. In the Pacific Rim, state of Montana trade office representatives in Kumamoto, Japan and Taipei, Taiwan market Montana's travel-related products and services to their respective countries.

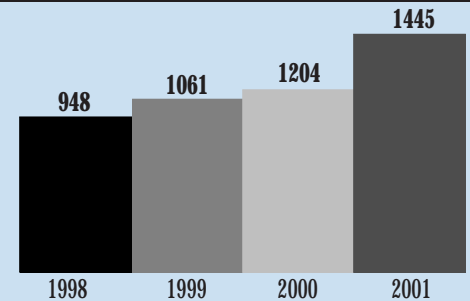
Overseas marketing efforts are showing success on a number of fronts. Travel Montana regularly organizes and hosts familiarization ("fam") tours for international media and trade, with participants from the UK, Germany, the Netherlands, Belgium, France, Taiwan and Italy. Montana also attends key trade shows to promote the state to overseas tour operators. Currently, trade shows include BIT in Milan, Italy; ITB in Berlin, Germany; World Travel Market in London; and the TIA Pow Wow in Dallas. These trade shows result in numerous leads for Montana, which are passed on to over 220 Montana suppliers, CVBs and travel regions.

Goals for the coming year include additional international fam tours, which result in favorable media coverage and increased brochure exposure in overseas markets. The program is also increasing awareness of its international efforts among Montana tourism-related businesses; this year, the office presented a seminar at the Governor's Conference on Tourism, and is planning an additional seminar at the next conference.

INTERNATIONAL OVERNIGHTS
(1999-2000)



MEETING/CONVENTION LEADS
(1998-2001)





*Any more culture
and we'd be in the dairy case.*

Montana offers the complete package of history, western culture, adventure and natural beauty. Follow the Lewis & Clark Trail, explore ghost towns and experience the natural beauty of Glacier and Yellowstone National Parks.

Call 800-548-3390, ext. 2 or log on to montanagroups.com to find out how to put your group in Montana.



montanagroups.com

MONTANA CERTAINLY APPEALS TO FAMILIES IN SEARCH OF VACATION ADVENTURE. BUT WHAT ABOUT GROUPS THAT AREN'T FAMILIES—CONVENTIONS OF 10,000, FOR INSTANCE? MONTANA IS THE PERFECT DESTINATION FOR THEM, TOO. THE STATE SUCCESSFULLY MARKETS ITSELF TO GROUP TOUR OPERATORS, AS WELL AS MEETING AND CONVENTION PLANNERS. WITH AN ABUNDANCE OF FACILITIES, ATTRACTIONS AND NATURAL BEAUTY, MONTANA IS HOSTING GROUPS OF EVERY SIZE FROM EVERYWHERE.

Montana's group travel program does exactly what the name implies: markets the state's attractions as destinations for group tour operators throughout the United States and Canada. The program suggests activities ranging from sightseeing to river rafting to skiing, and generates travel ideas for all seasons.

To do this, the program conducts fam tours for group tour operators, giving them a chance to see Montana's attractions first-hand. Direct mail offers current tour planning material to a targeted list of operators, helping establish and maintain rapport. Trade events, as well as membership in key industry associations such as the National Tour Association and the American Bus Association, help Montana stay in regular contact with group travel planners.

This year, the group tour program attended two group tour conventions to promote Montana as a destination; at the NTA convention, representatives organized and presented a "Montana Night" dinner attended by 100 tour operators. Tour operators can access the Group Tour Planning Guide online at montanagroups.com for more information on products and activities.

Montana's meeting and convention program works closely with the state's CVBs, the Montana Innkeepers Association and convention properties to market the state as a destination for meetings and groups of any size.

The program's advertising campaign uses print and internet banner ads to promote the state's meeting/convention facilities and capabilities. The web site, montanameetings.com, offers information from Montana's printed Meeting Planner's Guide. Plus, trade shows such as Affordable Meetings and the Incentive Travel & Meeting Executives show bring Montana face-to-face with planners.

In the coming year, Montana will continue to position itself to meeting and convention planners, share leads and prospects with CVBs and properties, attend trade shows and conduct group fam tours.



THE FUTURE: TOURISM DEVELOPMENT

MONTANA'S TOURISM NUMBERS HAVE BEEN STEADILY RISING OVER THE PAST DOZEN YEARS. FOR THAT TREND TO CONTINUE, MONTANA NEEDS TO MAKE SURE IT HAS THE FACILITIES AND THE KNOWLEDGE BASE TO GIVE VISITORS A POSITIVE EXPERIENCE WHEN THEY'RE HERE. THAT'S THE PURPOSE OF MONTANA'S TOURISM DEVELOPMENT AND EDUCATION PROGRAM.

At its most basic level, the program is all about cooperation. First and foremost, it's dedicated to helping travel-related state agencies, federal agencies and private businesses work together. These involve specific projects such as community-based tourism development, statewide infrastructure improvements, tourism development assistance for Montana's Indian people, cultural tourism partnerships and products, tourism and recreation policies and customer service/tourism education training. This is really just the tip of what this program does for Montana's tourism industry.

In partnership with the Missoula Cultural Council and the Billings-based Western Heritage Center, the Tourism Development Program is assisting in developing cultural corridor routes in the lower Yellowstone River Valley, the Bitterroot Valley and other areas of Montana. These partners and others are joining to host a national Share Your Heritage Pilot Project Workshop in Montana during March

2002. The workshop features national presenters and real life projects for Montanans to explore.

The Montana Tribal Tourism Alliance, an organization representing tourism, economic development and cultural interests from Montana's seven reservations, worked with Travel Montana to prepare the updated Montana Indian Reservation brochure. This effort also resulted in a Montana Indian Country web site: indiannations.visitmt.com.

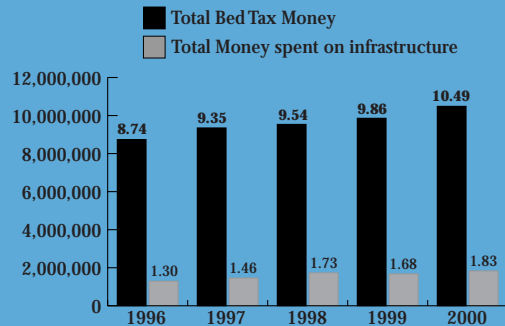
The program continues to participate in Montana's preparation for the upcoming national Lewis & Clark Bicentennial observance through the Montana Tourism & Recreation Initiative (MTRI), the Montana Lewis & Clark Bicentennial Commission and other partners. In February 2001, these partners joined with the Montana Stockgrowers Association to host a series of Farm & Ranch Recreation Business Workshops along Montana's Lewis & Clark Trail. In 2002, MTRI will implement its Lewis & Clark Interpretive Sign Strategy through signing projects in the Blackfoot River corridor between Missoula and the Lincoln area and in Wibaux, Montana's eastern gateway.

Major projects in 2002 include the development of the new five-year strategic plan for Montana's tourism and recreation industry, the 2002 Montana Governor's Conference on Tourism and Recreation and the development of an improved state-supported Visitor Information Center program.





INFRASTRUCTURE INVESTMENT (FY 1996-2000)



AN IMPORTANT ASPECT OF THE TOURISM DEVELOPMENT AND EDUCATION PROGRAM INVOLVES MONTANA'S COMMUNITIES. TRAVEL MONTANA BELIEVES IN PARTNERING WITH THE RESOURCES OF MONTANA'S TOWNS AND CITIES, HELPING THEM DEVELOP THE RESOURCES THEY NEED TO BENEFIT FROM TOURISM. THE COMMUNITY TOURISM ASSESSMENT PROGRAM (ALSO KNOWN AS CTAP), THE TOURISM INFRASTRUCTURE INVESTMENT PROGRAM (TIIP) AND SUPERHOST TRAINING ARE THREE VERY IMPORTANT TOOLS IN THIS AREA.

The Community Tourism Assessment Program is an eight-month "self help" process offered to three communities each year. In each of the selected communities, the program helps analyze local resident attitudes about (and interest in) tourism, measure tourism potential, identify gaps in visitor services and suggest projects or actions that can strengthen the role of tourism in the local economy. At the end of the process, communities can use \$10,000 in bed tax grants to develop priority infrastructure projects. Since its creation in 1991, CTAP has assisted 27 Montana communities.

The Tourism Infrastructure Investment Program offers a more immediate bed tax investment in

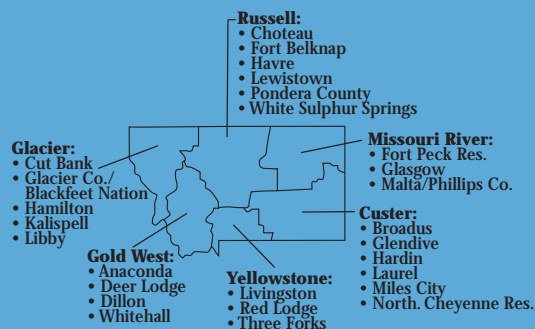
community or nonprofit organizations' efforts to develop or renovate Montana's tourism attractions. Since 1995, TIIP grants have provided more than \$1.51 million in funds for 31 projects in 26 communities across the state.

Travel Montana's Superhost program offers affordable customer service training to front-line employees in businesses and organizations across the state. In other words, this program works with the people who work most closely with our visitors. The program is offered through a training contract with Flathead Valley Community College in Kalispell.

Subjects covered in Superhost training include basic information about the importance of tourism to Montana's economy, local and statewide tourism information and service resources, and Lewis and Clark in Montana 101.

Another important educational resource for Montana's communities is the annual Governor's Conference on Tourism. This conference offers professional speakers and presentations covering subjects as diverse as tourism trends, marketing, legislative issues and more.

CTAP COMMUNITIES



THE PRESS: SPREADING THE WORD

THE OLD AXIOM IS TRUE: THE BEST KIND OF MARKETING IS THE FREE KIND. THANKS TO THE EFFORTS OF TRAVEL MONTANA'S PUBLICITY PROGRAM, THE STATE CURRENTLY GENERATES PUBLICITY AND COVERAGE (IN PRINT, BROADCAST AND ELECTRONIC MEDIA OUTLETS) THAT'S THE EQUIVALENT OF ABOUT \$8.7 MILLION IN ADVERTISING SPACE.

Publicity is one of the most believable and effective types of exposure a travel destination can get. Coverage in key travel and news media can result in stories and programs that generate interest in Montana. Travel Montana's publicity program works with various media outlets to help spread the word about the latest and greatest reasons for visiting.

Through the use of organized publicity campaigns, media familiarization ("fam") trips, publicity assistance and other services, Montana is able to work with hundreds of media representatives each year. The publicity department is constantly searching for cooperative media promotions to "pool" the resources of the state, its travel regions and CVBs. The department also offers video productions and a footage library highlighting Montana's statewide travel opportunities. These videos are provided free to media interested in airing the programs or using portions to produce programs.

Each year, the publicity program organizes or assists with fam tours in all six tourism regions; dozens of journalists participate in these regional fams. In addition, the department financially assists key broadcast producers and travel writers with assigned stories about Montana. This financial assistance helps make sure potential stories and programs about Montana are produced. The program also produces video news releases that are aired on state, regional and national news stations.

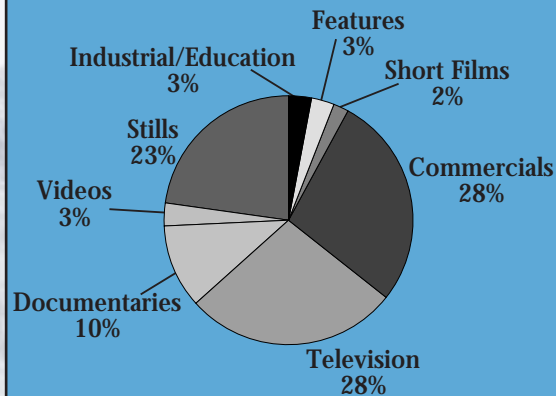
On the print side, the publicity program produces two publications: *Untold Story Leads*, a quarterly newsletter sent to over 850 travel writers that highlights a tourism attraction/event in each of the six tourism regions, and *Travel Montana Update*, which offers news and information about the state's tourism industry and is distributed to Montana tourism suppliers, legislators and out-of-state entities. Beginning in 2001, the *Update* became available electronically.

In the coming year, the publicity program will include a full-time photographer. The photographer will be responsible for creating a photo CD, building our stock photo library and enhancing our electronic capabilities (i.e. scanning and distributing slides via computer.) The program will also produce an in-state media campaign that educates Montanans on the importance of tourism to our state's economy.





COMPLETED FILM OFFICE PROJECTS (2000)



MONTANA IS A MAGICAL LOCATION FOR ALL THE PEOPLE WHO LIVE HERE. MORE AND MORE, IT'S A MAGICAL LOCATION FOR THE MOTION PICTURE INDUSTRY, AS WELL. OVER THE PAST SEVERAL YEARS, MONTANA HAS SERVED AS THE SETTING FOR MANY POPULAR FEATURE FILMS SUCH AS *THE HORSE WHISPERER*. AT THE SAME TIME, THE STATE HAS HOSTED PRODUCTIONS FOR TELEVISION, INDEPENDENT FILMS, COMMERCIALS, DOCUMENTARIES, MUSIC VIDEOS, AND STILL PHOTOGRAPHY.

The Montana Film Office works tirelessly to make sure professionals in film production know about what Montana has to offer: talented production crews and services, as well as unmatched locations. To do this, the film office takes advantage of a number of tools. First, targeted advertising campaigns appear in trade magazines such as *Daily Variety*, *Hollywood Reporter*, *AFCI Locations*, *Production Update On Location*, *Backstage SHOOT*, and *Creativity*. To complement these ads, calendars featuring Montana locations are sent to selected producers, directors, studio executives and location managers. Regular attendance at trade shows and film festivals (such as Sundance Film Festival and AFCI Locations Global Expo) makes sure Montana is visible within the production community, and keeps film office personnel up-to-date on the latest happenings in the film and television industries.

The film office also produces materials that help film professionals find and use the resources available to them in the state. The Montana Production Guide is a 170-page binder distributed to key decision makers in the production industry. The film office web site, at montanafilm.com, offers full information about filming in the state. It also contains hundreds of photos of potential film locations around the state. These online photos are an integral component of Montana's large collection of photo and information files available to send on a moment's notice.

The film office's goals for the coming year include, first and foremost, increasing the number of feature films shot in Montana—with a focus on independent films. The office will also continue to target the commercial production industry and increase efforts to attract international production to Montana. Increasing our direct mail campaigns is one tool to accomplish these goals. The film office is also expanding its use of the internet as a marketing tool. Images are currently e-mailed to selected production companies and personnel; initial plans for a full digital photography and scouting system will dramatically increase online capacity. Eventually, the film office will have full in-house digital production—including shooting, panning, archiving, printing and electronic distribution.

THE WEB: MONTANA'S ONLINE RESOURCES

OVER THE PAST SEVERAL YEARS, AS THE REACH AND IMPORTANCE OF THE INTERNET HAS GROWN, SO HAVE THE OFFERINGS OF MONTANA'S TOURISM INDUSTRY. COLLECTED HERE ARE SOME OF THE WEB SITES MAINTAINED BY TRAVEL MONTANA, MONTANA'S TOURISM REGIONS AND CVBs, ALONG WITH SITES OF MANY TOURISM PARTNERS. TO FIND MORE IN-DEPTH INFORMATION ON MONTANA'S TOURISM INDUSTRY, START WITH THESE SITES.

WEB SITES MAINTAINED BY TRAVEL MONTANA

- visitmt.com - Travel Montana's main web site with visitor information and vacation planning assistance.
- lewisandclark.state.mt.us - Montana's Lewis and Clark site, devoted to the Corps of Discovery's journey across our state.
- wintermt.com - Montana's winter site, covering the pursuit of fun during our snowy season.
- montanakids.com - Specifically designed for kids, including games and other fun.
- montanameetings.com - The Montana meeting planner's site, offering information about meeting or convention services and locations.
- montanafilm.com - The official site of the Montana Film Office, with location photos and information about filming.
- travelmontana.state.mt.us - Travel Montana's intranet site, offering up-to-date information about the state's tourism industry.
- indiannations.visitmt.com - This site is devoted to Montana's Indian Nations.
- montanagroups.com - The Montana Group Tour Planning Guide, offering information on group tour services.
- bizmt.com - Montana's business recruitment site.

MONTANA TRAVEL REGIONS

- custer.visitmt.com - Custer Country
- glacier.visitmt.com - Glacier Country
- goldwest.visitmt.com - Gold West Country
- missouririver.visitmt.com - Missouri River Country
- russell.visitmt.com - Russell Country
- yellowstone.visitmt.com - Yellowstone Country

MONTANA CVBs

- bigskychamber.com - Big Sky
- billingscvb.visitmt.com - Billings
- bozemancvb.visitmt.com - Bozeman
- butteinfo.org - Butte
- fcvb.org - Flathead Valley
- greatfallscvb.visitmt.com - Great Falls
- helenacvb.visitmt.com - Helena
- missoulachamber.com/cvb/ - Missoula
- westyellowstonecvb.visitmt.com - West Yellowstone
- whitefishchamber.org - Whitefish

OTHER USEFUL SITES

- nps.gov/glac/ - Glacier National Park
- nps.gov/yell/ - Yellowstone National Park
- lewis-clark.org - Discovering Lewis and Clark
- fwp.state.mt.us - Montana Department of Fish, Wildlife & Parks
- mt.blm.gov - Bureau of Land Management
- geology.cr.usgs.gov/states/MT.html - Montana geological survey
- discoveringmontana.com - Montana online
- montanalewisandclark.org/ - Montana Lewis & Clark Bicentennial Commission
- forestry.umont.edu/itr/ - Institute for Tourism and Recreation Research



Good stories never grow old.



*But occasionally
they need refreshing.*

This summer reconnect with your friends and family in the place you're proud to call home. Just complete and return this coupon or log on to www.visitmt.com. Your friends and relatives will receive a personalized letter from the Governor mentioning you and inviting them to explore our scenic Montana. They'll also receive a free Montana Vacation Planning Kit, guiding them to activities, events and lodging.

You too will receive a vacation kit. But if you already have one and want the kit sent only to your guests, please check here. ☐

Mail to: Governor Judy Martz
Box T
Helena, MT 59620-8510



YOUR FRIEND: Please print or type clearly.

MR./MRS./MS. _____
ADDRESS _____
CITY _____ STATE _____ ZIP _____

YOU:

MR./MRS./MS. _____
ADDRESS _____
CITY _____ STATE _____ ZIP _____

To help more friends, attach their names, address and zip codes, and mail in a stamped envelope. Allow 2 to 3 weeks for delivery. © Travel Montana, Department of Commerce.

Travel Montana Mission Statement

Travel Montana's mission is to strengthen Montana's economy through the promotion of the state as a vacation destination and film location.

By maximizing the combined talents and abilities of its staff, and with guidance from the Governor's Tourism Advisory Council, Travel Montana strives to promote a quality experience to visitors while encouraging preservation of Montana's environment and quality of life.